

## REX TRUEFORM GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1937/009839/06)

JSE share code: RTO ISIN: ZAE000250387

JSE share code: RTN ISIN: ZAE000250395

JSE share code: RTOP ISIN: ZAE000250403

("Rex Trueform" or the "Company")



**REX TRUEFORM**  
GROUP LIMITED

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## ACQUISITION OF A RENTAL ENTERPRISE

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### 1. INTRODUCTION

- 1.1 Shareholders are advised that the Company has entered into a sale of rental enterprise agreement (the "**Agreement**") with Spear REIT Limited (the "**Seller**"), in terms of which Rex Trueform will acquire the immovable property known as ERF 176024 Cape Town situated at 5 Fitzmaurice Avenue, Epping, Cape Town, Western Cape (the "**Property**") and the rental enterprise conducted by the Seller from such Property ("**Rental Enterprise**"), for an acquisition consideration of R85 000 000 (the "**Acquisition Consideration**").
- 1.2 The effective date of the transaction will be the date of registration of transfer of ownership of the Property into the name of Rex Trueform (the "**Effective Date**").
- 1.3 The acquisition of the Rental Enterprise includes, *inter alia*, a lease agreement with a national transport company as well as a number of other leases.

### 2. RATIONALE FOR THE TRANSACTION

- 2.1 The transaction presents a strategic opportunity for Rex Trueform to diversify and grow its existing property portfolio, while leveraging the opportunity to acquire commercial property with a high tenant demand at an appropriate value. The transaction should furthermore complement Rex Trueform's ongoing intended acquisition of a majority interest in an entity which is in the process of acquiring a portfolio of industrial properties located in Epping, Cape Town.

### 3. SALIENT TERMS OF THE AGREEMENT

- 3.1 Possession, occupation and control of the Property shall be given by the Seller to the Company on the Effective Date.
- 3.2 It is envisaged that the transaction will be zero-rated in terms of the Value Added Tax Act.
- 3.3 All leases and contracts in respect of the Property will be assigned to the Company with effect from the Effective Date.
- 3.4 The Seller has warranted that it has no employees in relation to the Rental Enterprise.
- 3.5 The Seller has undertaken that it will, during the period between the date of last signature of the Agreement ("**Signature Date**") and the Effective Date carry on the Rental Enterprise in the same manner as it did before the Signature Date, in its ordinary course of business, so as to maintain the Rental Enterprise as a going concern.

### 4. PAYMENT AND FUNDING OF THE ACQUISITION CONSIDERATION

- 4.1 The Acquisition Consideration is payable on the Effective Date and will be funded as follows:
  - 4.1.1 R 20 000 000 is to be funded by Rex Trueform; and
  - 4.1.2 R 65 000 000 is to be funded by way of a loan from a bank against security of the registration of a first mortgage bond over the Property.

### 5. CONDITIONS PRECEDENT

- 5.1 Shareholders are further advised that all conditions precedent contained in the Agreement have been fulfilled and that the Agreement has accordingly become unconditional.

### 6. FINANCIAL INFORMATION

- 6.1 The market value of the net assets that are the subject of the transaction is R85 000 000.00 and such assets are being acquired at a yield of 9.6%.
- 6.3 The forecast yield is based on information derived from budgets and lease agreements in respect of the transaction and assumes that there are no unforeseen economic factors that will affect the ability of customers to meet their commitments in terms of existing lease agreements.

6.4 The forecast, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors of the Company and has not been reviewed or reported on by independent reporting accountants.

**7. CATEGORISATION OF THE TRANSACTION**

7.1 In terms of the JSE Listings Requirements, the transaction constitutes a category 2 transaction for Rex Trueform, and therefore shareholder approval thereof is not required.

26 July 2022

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Sponsor

**JAVACAPITAL**